

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A RENEWAL INTERLOCAL AGREEMENT RECOGNIZING AND CONTINUING ROCK REGION METROPOLITAN TRANSIT AUTHORITY; AND FOR OTHER PURPOSES.

WHEREAS, the City of North Little Rock (“the City”) entered into an agreement on July 14, 1986 with other Pulaski County municipalities, and the County of Pulaski and Central Arkansas Transit Authority to participate in a public transit system, which agreement has been extended and/or amended from time to time; and

WHEREAS, the parties wish to continue a public transit system within the boundaries of Pulaski County that will efficiently serve the citizens of the participating governmental entities; and

WHEREAS, it is in the best interests of the City and other participants to enter into a Renewal Interlocal Agreement recognizing and continuing a public transit system operated by Rock Region Metropolitan Transit Authority (formerly known as Central Arkansas Transit Authority); and

WHEREAS, the proposed agreement has been reviewed by the City Attorney and contains the following noted changes:

- (1) Cities of Cammack Village and Jacksonville are no longer participants in the agreement.
- (2) Board of Directors is increased to twelve members (formerly eleven) and selected as follows:
 - (a) Five (formerly 3) by Board of Directors of Little Rock;
 - (b) Three (formerly 2) by Mayor of North Little Rock;
 - (c) Two by County Judge of Pulaski County;
 - (d) One by Mayor of Maumelle; and
 - (e) One by Mayor of Sherwood.
- (3) Funding appropriations shall be determined annually by the Board upon the affirmative vote of at least nine (formerly ten) of its members.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor is hereby authorized to enter into a Renewal Interlocal Agreement Recognizing and Continuing Rock Region Metropolitan Transit Authority for a public transit system within the boundaries of Pulaski County, Arkansas (said agreement being substantially similar to Exhibit “A” attached hereto and incorporated herein by reference).

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

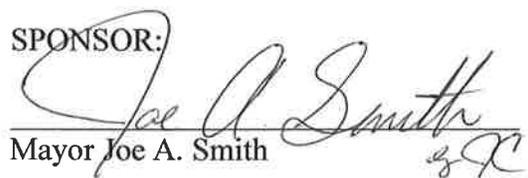
PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

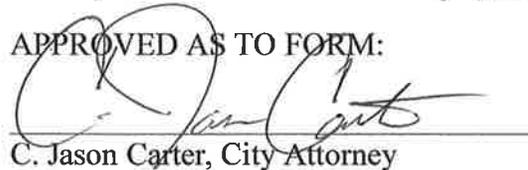
ATTEST:



Mayor Joe A. Smith

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

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| FILED <u>11:35</u> A.M. _____ P.M. |
| By <u>Atty Carter</u> |
| DATE <u>8-16-16</u> |
| Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas |
| RECEIVED BY <u>S. Usseery</u> |

**RENEWAL INTERLOCAL AGREEMENT
RECOGNIZING AND CONTINUING
ROCK REGION METROPOLITAN TRANSIT AUTHORITY**

July, 2016



AGREEMENT

Pursuant to the Public Transit System Act, A.C.A. §14-334-101 *et seq.*, this Agreement is entered into by and between the Arkansas cities and county listed herein: the City of Little Rock; the City of North Little Rock; the City of Maumelle; the City of Sherwood; and the County of Pulaski. The purpose of this Agreement is to continue a public transit system within the boundaries of Pulaski County that will efficiently serve the citizens of the governmental entities that are a party to this Agreement. The terms of this Agreement are set forth below.

DEFINITIONS

“Rock Region METRO” is Rock Region Metropolitan Transit Authority, which was formerly named the Central Arkansas Transit Authority, and is comprised of signatories to this Agreement that have entered into a contractual relationship creating a public authority responsible for the planning, maintenance and operation of a mass transit system operating within the geographical boundaries of Pulaski County, Arkansas.

“Transit Authority” is the system that is or has operated under the name Central Arkansas Transit Authority, CATA, Rock Region Metropolitan Transit Authority or Rock Region METRO.

“BOARD” is the Board of Directors of the Transit Authority. The Board shall have the powers enumerated in Article I of this Agreement.

ARTICLE I
BOARD OF DIRECTORS

1.01 Establishment

The parties to this Agreement have approved by resolution or ordinance their desire to provide for the Transit Authority and further, to affirm their participation and membership in the Transit Authority. These resolutions and ordinances will also affirm that the Transit Authority shall be managed and controlled by a twelve (12) member Board of Directors.

1.02 Powers

The Board shall have the authority:

- (a) To select a Chairman, Vice-Chairman, and Secretary as officers of the Board, in accordance with the provisions of the Bylaws;
- (b) To manage and control the Transit Authority, its property, operation, business and affairs;
- (c) To make and adopt all necessary bylaws, rules and regulations for its organization and operations not inconsistent with law;
- (d) To elect officers, to appoint committees and to employ and fix the compensation for personnel necessary for its operations;
- (e) To enter into contracts with any person, governmental department, firm or corporation including both public and private corporations,

and generally to do any and all things necessary or convenient for the purpose of acquiring, owning, equipping, leasing, licensing, and constructing, maintaining, improving, extending, financing, operating and governing a surface transit system covering all publicly owned transportation service within the geographic boundaries of Pulaski County, Arkansas;

(f) To delegate any authority given to it by law to any of its officers, committees, agents and employees;

(g) (i) to exercise under delegation by the Parties hereto the powers enumerated in A.C.A. §14-14-1102 (b) (7) and A.C.A. §14-54-108; and,

(ii) to apply for, receive, use and accept appropriated funds, donations, contributions, assistance, gifts and grants-in-aid in the form of funds or otherwise from any source or sources, including but not limited to the federal government, the State of Arkansas, the Arkansas Highway and Transportation Department or any agency, department or authority of the federal government, State of Arkansas or Arkansas Highway and Transportation Department or successor thereof; and,

(iii) to utilize these funds to exercise and execute the powers and perform the duties provided for herein and in A.C.A. §14-334-101 *et seq.*, which said powers and duties have been declared to be and are public and governmental functions exercised for a public purpose and matters of public necessity, but consistent with restrictions, if any, placed thereon by the federal government, the State of Arkansas, the Arkansas Highway and Transportation Department or any agency, department or authority of the federal government,

State of Arkansas or Arkansas Highway and Transportation Department or successor thereof; and,

(iv) to contract with the federal government, the State of Arkansas, the Arkansas Highway and Transportation Department or any department, agency, authority of the federal government, State of Arkansas or the Arkansas Highway and Transportation Department or successor thereof for the purpose of accepting, receiving and using assistance, gifts, donations, contributions and grants-in-aid in the form of funds or otherwise, upon such terms and conditions as may be agreed upon;

(h) To acquire lands and hold title thereto in its own name;

(i) To acquire, own, hold, lease, sell, encumber, dispose of or otherwise deal in and with any facilities or property, real, personal or mixed, wherever located;

(j) To appoint the Transit Authority Board or a committee thereof as improvement district commissioners and to create and operate an improvement district, composed of the area encompassed within the jurisdictions of the participating governing bodies, if said creation and operation is consistent with procedures established by the laws of this State for the creation and operation of municipal improvement districts; provided that such creation is approved by a two-third (2/3) majority of the members of the Board; and, further, provided that prior to creation of said improvement district the members of the Transit Authority will return to their respective governing bodies for approval;

(k) To borrow money and execute and deliver negotiable notes, mortgage bonds, other bonds, debentures and either evidences of indebtedness therefore, and give such security therefore as shall be requisite, including giving a mortgage or deed of trust on its properties and facilities in connection with the issuance of mortgage bonds;

(l) To raise funds by the issuance and sale of revenue bonds in the manner and according to the terms set forth therein;

(m) To expend its funds in the execution of the powers and authorities herein given and to invest and reinvest any of its funds pending need therefor;

(n) To apply for, receive and use loans, grants, donations, technical assistance and contributions from any other regional or area transit authorities or commissions that may be established and any agency of the federal government or the State of Arkansas;

(o) To enforce all rules, regulations and statutes relating to the transit system;

(p) To plan, establish, develop, construct, enlarge, improve, maintain, equip, operate and regulate the system and facilities and auxiliary services;

(q) To take such other action, not inconsistent with law, as may be necessary or desirable to carry out the powers and authorities conferred to it, or may in the future be conferred to it, by the participating governmental entities acting in accordance with A.C.A. §14-334-101 *et seq.*, as amended.

1.03 Membership

The twelve (12) members of the Board shall be selected as follows, in accordance with the provisions of A.C.A. §14-334-107:

- (a) Five (5) members shall be selected by the Board of Directors of Little Rock;
- (b) Three (3) members shall be selected by the Mayor of North Little Rock;
- (c) Two members shall be selected by the County Judge of Pulaski County.
- (d) One member shall be selected by the Mayor of Maumelle;
- (e) One member shall be selected by the Mayor of Sherwood.

1.04 Term of Office

- (a) Board members shall serve for a term of four (4) years that rotate based on the system in place at the entry of this Agreement.
- (b) Upon the expiration of the term of office of each member of the Board of Directors or upon the resignation, death or disqualification of any member of the Board of Directors, the Secretary of the Transit Authority shall promptly notify the governmental entity whose board member's term has expired or whose board member has resigned, died or become disqualified, and request

that the County Judge, City Board of Directors or Mayor of the applicable governmental entity promptly select and appoint a successor to said board member.

(c) Members of the Board of Directors, unless they resign, die or become disqualified, shall continue to serve on the Board as voting members until a successor has been selected and appointed by the County Judge, City Board of Directors or Mayor of the applicable governmental entity.

1.05 Voting

Each member of the Board shall have one vote on all questions before the Board. Subject to the provisions of Sections 2.02, 3.02 and 6.04 hereof, an affirmative vote of the majority of all members present and voting shall be required for Board action. No vote shall be taken unless a quorum consisting of six (6) or more members of the Board is present.

1.06 Compensation

No member of the Board shall receive any compensation, whether in the form of salary, per diem allowance or otherwise, for or in connection with services as a Board member. Each member however, shall be entitled to reimbursement by the Transit Authority for any necessary expenditures in connection with the performance of his general duties as such member.

1.07 Qualifications

A member of the Board shall be qualified if that member is an elector within the jurisdiction boundaries of the Transit Authority. A member does not have to be a bona fide resident of the governmental entity the member is selected to represent unless such a requirement is imposed by statute, ordinance, resolution, or custom, policy or practice of that governmental entity. No member of the Board shall hold any elected public office.

ARTICLE II

ASSETS

2.01 Assets

The assets of the Transit Authority include all properties transferred to it by the governmental entities that created the original Central Arkansas Transit System (Little Rock, North Little Rock, Pulaski County) in July, 1990. In the event of dissolution of this agreement, as set forth in Article IV, these entities shall be entitled to recover their proportionate share of those properties before division of any other assets.

2.02 Appropriations

All members of the Transit Authority will be required to make annual funding appropriations to the Transit Authority for purposes of its operation in such amounts as shall be determined annually by the Board upon the affirmative vote of at least nine (9) of its members. The criteria for such determination shall be set forth in the bylaws of the Transit Authority.

2.03 Failure to appropriate

Any governmental entity that fails to make an appropriation will be subject to the remedies set forth in Article V.

2.04 Grant of Franchise

All governmental entities entering into this agreement do hereby grant a franchise to the Transit Authority, at no cost, to use the streets and rights of way of the respective governmental entity for the purpose of providing public transportation services to the public. This franchise shall remain in full force and effect as long as the Transit Authority continues in existence, regardless of whether a particular governmental entity continues to participate financially, or otherwise, in the operation of the Transit Authority, or appoints members to serve on the Transit Authority Board of Directors.

ARTICLE III
TERM OF THE AGREEMENT

3.01 Term

This agreement shall be effective from the date that the Mayor, City Manager or County Judge of the participating governmental entities execute this agreement, and shall continue in full force and effect until the agreement is terminated as set forth below.

3.02 Termination of the Agreement

(a) This agreement is voluntarily terminated when two-thirds (2/3) of the participating members of the Board, in accordance with the proper resolution or instruction from the participating governmental entities, vote to terminate the agreement.

(b) This agreement is involuntarily terminated when:

(i) As a result of a change in legislation, constitutional amendment, or decision from a court of last resort it is determined that the participating governmental entities no longer possess the authority to participate in such agreement; or

(ii) An action is filed by the Board seeking protection in the bankruptcy courts of the United States.

3.03 Individual Withdrawal from the Agreement

Any participating governmental entity may withdraw from participation in the agreement upon the passage of an ordinance by the governing body of the entity. Any entity exercising its right to an individual withdrawal from the agreement forfeits any claim to share in the assets of the Transit Authority upon dissolution, and further forfeits any right to the creation, termination, continuation or alteration of any particular route within its corporate boundaries.

ARTICLE IV

DISTRIBUTION OF ASSETS UPON DISSOLUTION

401. Accounting

Upon a decision to voluntarily or involuntarily dissolve this Agreement, a complete audit conducted by a bonded accounting firm chosen pursuant to a request for qualifications and acceptable to a majority of the eligible governmental entities involved in the Agreement will be conducted. If a majority of the eligible governmental entities cannot agree on a bonded accounting firm, the names of those firms suggested will be submitted to a vote of all the governing councils of the eligible entities, and the firm receiving the most votes will be selected.

4.02 Initial Distribution of Assets

After all claims to the federal government and any other creditor have been paid, then the three governmental entities (Little Rock, North Little Rock, and Pulaski County) that contributed the initial assets to the Transit Authority will receive the assets equal to those initial contributions. If there are insufficient assets to cover such a contribution, then a proportional share of the assets will be distributed to these three entities: Little Rock – 50%, North Little Rock – 25%, Pulaski County – 25%.

4.03 Proportional Distribution

After all distributions have been made as required in Section 4.02 of this Agreement, then all remaining assets will be divided proportionally in accordance with the appropriations that have been made by the eligible participating governmental entities.

4.04 Method of Making Distribution

The distributions shall be made by liquidating assets and distributing cash payments, or if two-thirds of the eligible parties agree, by distributing the physical assets of the Transit Authority, or by a combination thereof.

4.05 Compliance with Bankruptcy Code

Nothing in this Article is to suggest that a distribution of assets will occur that violates any provision of Title 11 of the United States Code concerning municipal bankruptcies.

ARTICLE V

REMEDIES FOR FAILURE TO APPROPRIATE

5.01 Remedies

(a) Failure of a governmental entity to pay its proportionate appropriation within thirty (30) days of the date it is due:

(i) may, upon the majority vote of the Board of Directors, result in a loss of bus service, or in a proportionate cancellation of any bus routes operated within the defaulting entities' jurisdiction as established by the Board of Directors; and,

(ii) shall, upon the affirmative vote of a 2/3rds majority of the Board of Directors, immediately forfeit all of its members on the Board, thereafter the total membership of the Board of Directors shall be decreased by the number of Board members entitled to be selected by the defaulting governmental entity

and shall remain so decreased in number unless and until the defaulting entity is reinstated pursuant to Section 5.01(b).

(b) Notwithstanding any other provision of this Agreement, if a governmental entity is declared to have forfeited its rights under this Agreement, it can be reinstated to full membership privileges by:

(i) Being voted full membership rights by the unanimous consent of the remaining Board members, and;

(ii) Paying its proportionate appropriations to the Transit Authority, or by paying an amount unanimously agreed by the parties to be a fair settlement of all claims; in no event shall this alternative amount exceed the past due proportionate appropriation due.

ARTICLE VI

MISCELLANEOUS

6.01 Annual Audit

A complete audit of the assets, revenues, and expenses of the Authority shall be conducted annually, at the expense of the Board, by a bonded accounting firm chosen pursuant to a request for qualifications and acceptable to a majority of the eligible governmental entities involved in the Agreement. If a majority of the eligible governmental entities cannot agree on a bonded accounting firm, the names of those firms suggested will be submitted to a vote

of all the governing councils of the eligible entities, and the firm receiving the most votes will be selected.

6.02 Necessary Parties

All notices required to be given to the Transit Authority will be provided to the Secretary of the Board, and by it forwarded to all necessary parties.

6.03 Agreement

This agreement is fully contained within this document. Any amendments to this agreement must be made in writing and must be consented to unanimously by all eligible governmental entities. For purposes of execution of this Agreement, all originally executed copies shall be deemed an original for all purposes of authentication or certification.

6.04 Bylaws

The Bylaws of the Transit Authority shall be amended only upon the affirmative vote of eight (8) or more of the members of the Board.

* * * * *

WHEREUPON, the below listed parties set their hands and seals this

_____ day of _____, 2015.

MAYOR, LITTLE ROCK

BY THE AUTHORITY OF
RESOLUTION NO. _____.

MAYOR, NORTH LITTLE ROCK

BY THE AUTHORITY OF
RESOLUTION NO. _____.

COUNTY JUDGE, PULASKI COUNTY

BY THE AUTHORITY OF
RESOLUTION NO. _____.

MAYOR, MAUMELLE

BY THE AUTHORITY OF
RESOLUTION NO. _____.

MAYOR, SHERWOOD

BY THE AUTHORITY OF
RESOLUTION NO. _____.

COUNTY OF PULASKI)
) ss
STATE OF ARKANSAS)

SUBSCRIBED and sworn to before me this ____ day of _____ 2015.

NOTARY PUBLIC

My Commission Expires:
(seal)
